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## **Kazakhstan - Republic of**

### **Grain and Feed Update**

#### **February Grain Update**

**Approved By:**

Levin Flake

**Prepared By:**

Zhamal Zharmagambetova  
and Levin Flake

**Report Highlights:**

Production data from the Kazakh Statistical Agency was recently released, showing total grain production in 2013 at 18.2 million metric tons (MMT) and total wheat production at 13.9 MMT, both up 42 percent from last year. The larger crop has allowed sharply increased exports in recent months from Kazakhstan, with wheat (including flour) exports in September-December 2013 nearly double the level of the previous year. Exports, however, are expected to slow in subsequent months as a result stronger global competition, weaker Russian demand, and shrinking stocks. Despite the much larger crop, the Kazakh Statistical Agency is reporting that Kazakh wheat stocks are already at levels below those at this time last year.

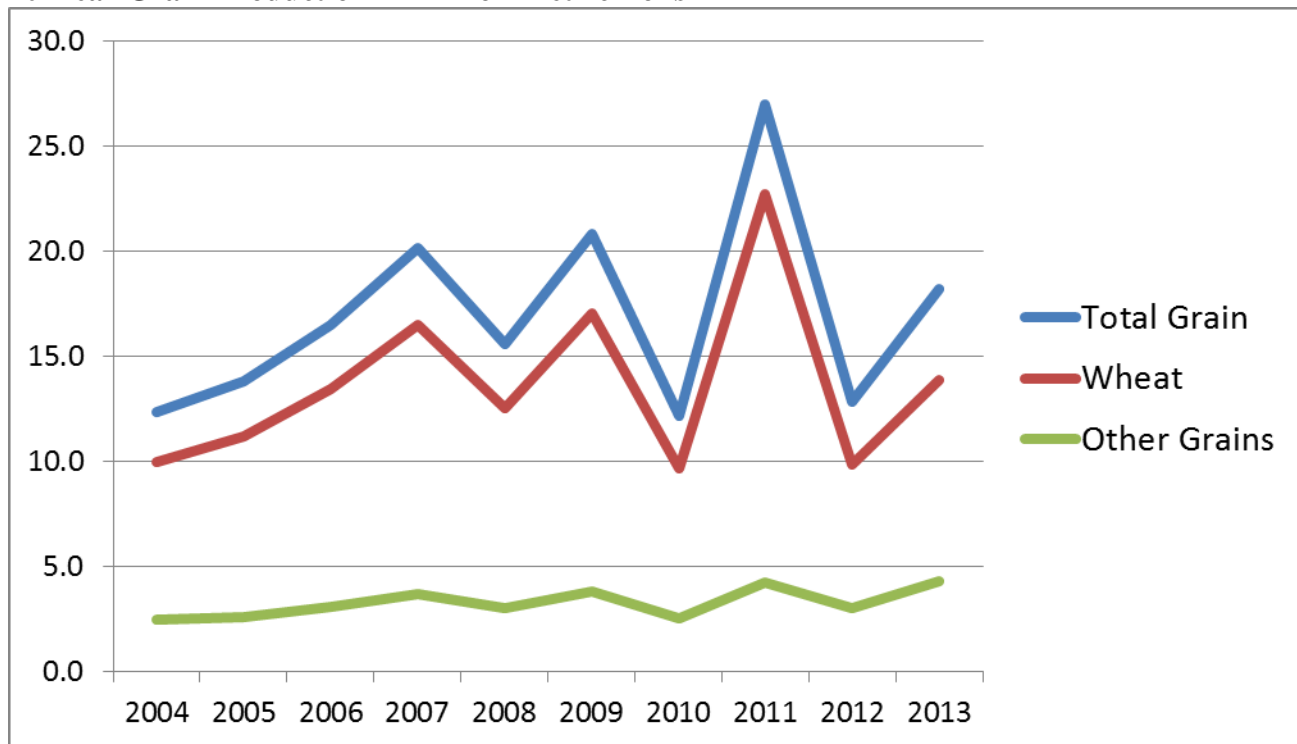
## **General Summary**

Production data from the Kazakh Statistical Agency was recently released, showing total grain production in 2013 at 18.2 million metric tons (MMT) and total wheat production at 13.9 MMT, both up 42 percent from last year. The larger crop has allowed sharply increased exports in recent months from Kazakhstan, with wheat (including flour) exports in September-December 2013 nearly double the level of the previous year. Exports, however, are expected to slow in subsequent months as a result stronger global competition, weaker Russian demand, and shrinking stocks. Despite the much larger crop, the Kazakh Statistical Agency is reporting that Kazakh wheat stocks are already at levels below those at this time last year.

## **Production**

The Kazakh Statistical Agency has released grain production data for Kazakhstan for 2013, with total grain production at 18.2 million metric tons (MMT), up 42 percent from 2012. Wheat production is 13.941 MMT, also up 42 percent from 2012, and barley production is 2.5 MMT, up 70 percent from 2012. Due to climactic conditions and agronomic practices, Kazakhstan grain production remains highly variable, and for 5 consecutive years the year-to-year change in wheat production has been greater than 35 percent. By comparison, in the United States a year-to-year change this large has only occurred once (2003) in over 50 years. The Kazakh government has been encouraging diversification of crop area away from wheat, and production of other grains has been steadily increasing during the past decade (see chart below).

### **10-Year Grain Production in Million Metric Tons**



Source: Kazakhstan Statistical Agency

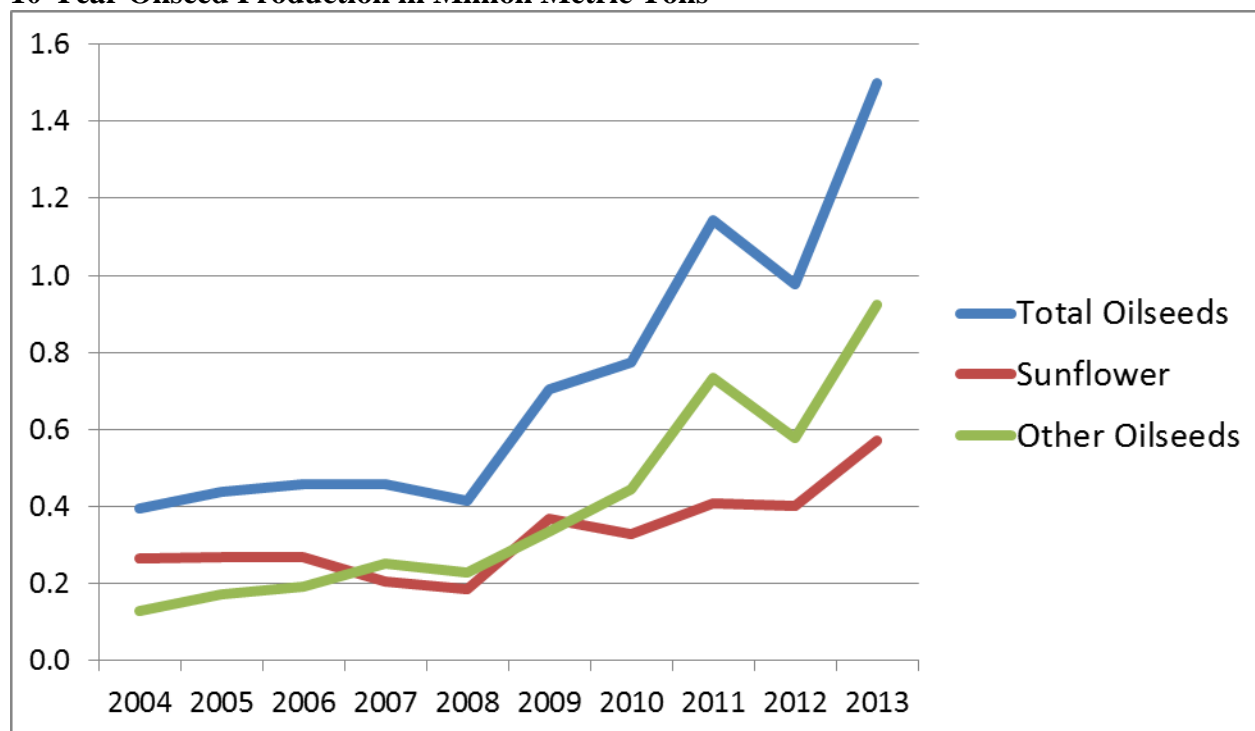
### Grains Production

Crop	2013 (MMT)	2012	Change in MT	Change in %
Total Grain	18.231	12.865	+5.366	+42%
Wheat	13.941	9.841	+4.1	+42%
Barley	2.539	1.491	+1.048	+70%
Corn	0.569	0.520	+0.049	+9%
Rice	0.344	0.351	-0.007	-2%
Rye	0.043	0.029	+0.014	+48%
Oats	0.305	0.147	+0.158	+107%
Millet	0.054	0.023	+0.031	+135%
Buckwheat	0.084	0.048	+0.036	+75%
Mixed Grain	0.278	0.338	-0.06	-18%

Source: Kazakhstan Statistical Agency

Oilseeds production reached a new record in 2013 at 1.5 MMT, up 53 percent from 2012, and a tripling of oilseed production in just 5 years. Most of this increase was in oilseeds other than sunflower, with especially large increases in rapeseed and flax production.

### 10-Year Oilseed Production in Million Metric Tons



Source: Kazakhstan Statistical Agency

### Oilseeds Production

Crop	2013 (MMT)	2012	Change in MT	Change in %
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Total Oilseeds	1.498	0.977	+0.521	+53%
Sunflower	0.573	0.400	+0.173	+43%
Safflower	0.175	0.127	+0.048	+38%
Soybeans	0.203	0.170	+0.033	+19%
Rapeseed	0.242	0.117	+0.125	+107%
Flax	0.295	0.158	+0.137	+87%

Source: Kazakhstan Statistical Agency

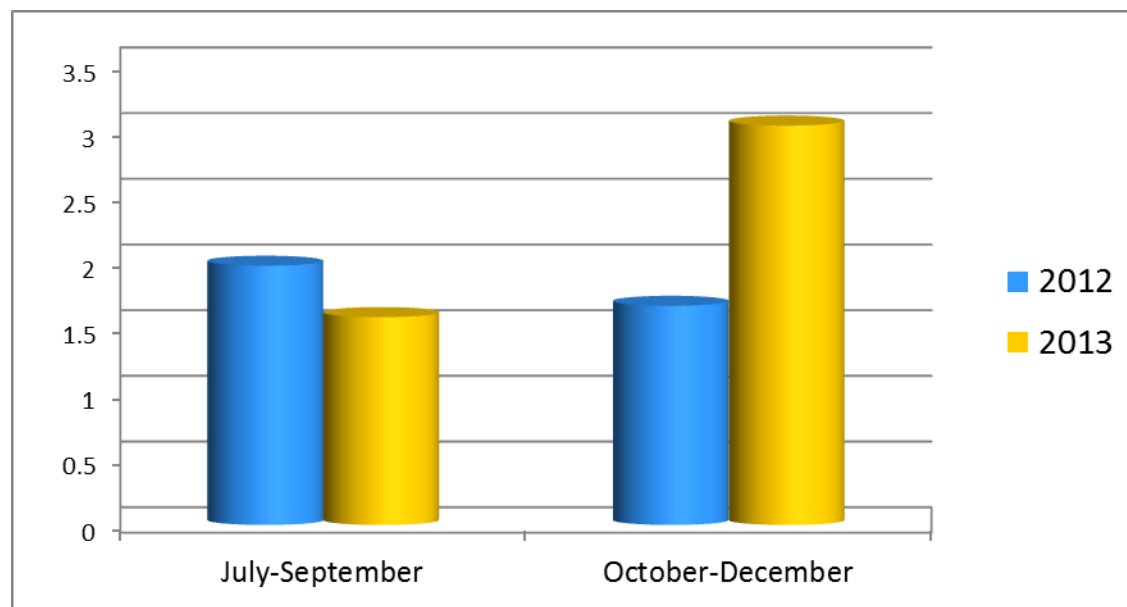
### **Other Crops Production**

Other Crops	2013 (MMT)	2012	Change in MT	Change in %
Peas	0.043	0.051	-0.008	-16%
Chickpeas	0.019	0.015	+0.004	+26%
Cotton	0.397	0.380	+0.017	+4%
Sugarbeats	0.065	0.152	-0.087	-57%

Source: Kazakhstan Statistical Agency

## **Trade**

### **Kazakhstan Wheat (including Flour) Exports Climb**



Source: Kazakh Customs Data, Kazakh Railway Data, and Customs Union Trade Statistics

In the 6 months from July – December 2013, Kazakhstan is estimated to have exported 3.9 MMT of grain. Kazakhstan had especially strong exports in October, November and December 2013, and volumes in these 3 months are nearly double those of the same period last year. Despite these strong recent months of shipments, the export pace is expected to weaken in subsequent months due to

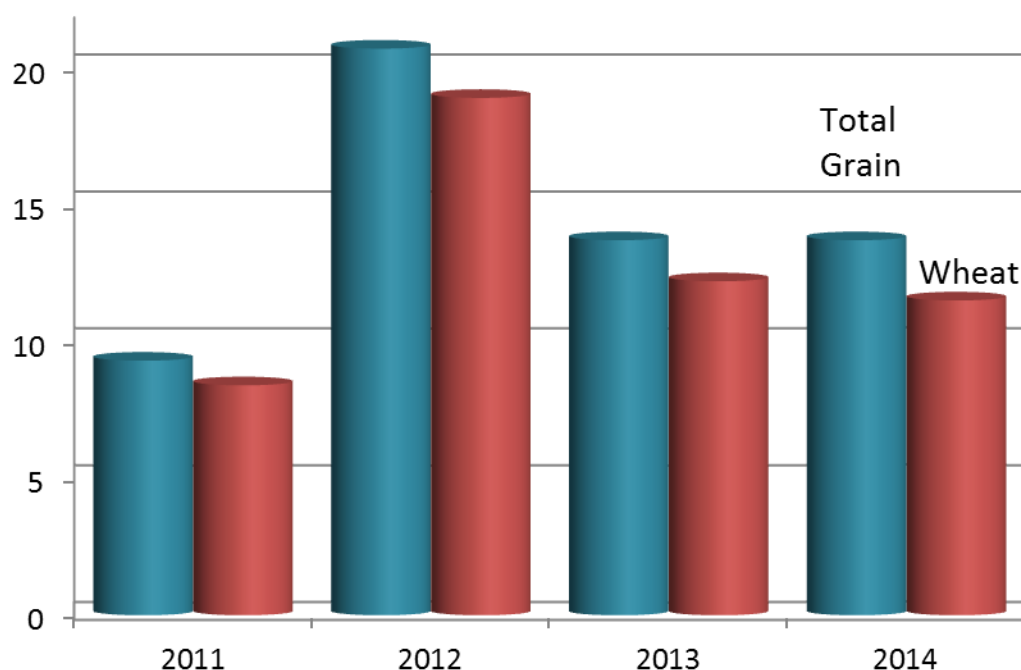
shrinking stocks (wheat stocks are already below the level at this time last year, despite a much larger crop), strong competition from other exporters, and smaller Russian purchases.

### **Stocks**

According to the Kazakh Statistical Agency, Kazakhstan grain stocks as of January 1, 2014 were at 13.7 MMT, including 11.5 MMT of wheat. This volume for total grain stocks is almost identical to January 1, 2013, while wheat stocks are actually 0.7 MMT lower than at the same time last year, despite the crop being much larger.

As of January 1<sup>st</sup>, 2014, stocks of oilseeds nearly doubled at 998,000 tons compared to 509,000 tons in 2013, and stocks of sunflowerseed were at 401,000 tons compared to 234,000 tons in 2013.

### **Stocks of Grain and Wheat in Million Metric Tons as of January 1<sup>st</sup>.**



Data Source: Kazakh Statistical Agency

### **Prices**

Prices in Kazakhstan have risen slightly in the past 3 months (from the end of October to the end of January), with average prices for 3<sup>rd</sup> class wheat at the Russian border rising just 3 percent (\$6) to \$199 per MT. For barley, prices increased also by 3 percent (\$6) to \$225 per MT FOB at the Caspian port of Aktau.

Wheat Kazakhstan	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Sep 2011		Market Year Begin: Sep 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	13,686	13,686	12,400	12,400	12,500	12,500
Beginning Stocks	2,882	2,883	6,176	6,477	2,723	3,854
Production	22,732	22,732	9,841	9,841	15,500	13,941
MY Imports	6	6	6	10	10	10

